

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

NMLB1030158102

OPERATOR

☐ Initial Report ☒ Final Report

| | | | |
|-----------------|---|---------------|----------------|
| Name of Company | COG Operating LLC | Contact | Pat Ellis |
| Address | 550 W. Texas, Suite 1300 Midland, Texas 79701 | Telephone No. | (432) 685-4332 |
| Facility Name | Beech Federal #2 Tank Battery | Facility Type | Well |
| Surface Owner: | Federal | Mineral Owner | |
| | | Lease No. | NMLC-058181 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| J | 25 | 17S | 27E | | | | | Eddy |

Latitude N 32 48.140° Longitude W 104 13.725°

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release: Produced Fluids | Volume of Release 20 bbls | Volume Recovered 23 bbls |
| Source of Release: Heater Treater | Date and Hour of Occurrence 7/4/10 | Date and Hour of Discovery 7/4/10 9:00 a.m. |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? Josh Russo | Date and Hour 7/28/10 10:52 a.m. | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. N/A | |

If a Watercourse was Impacted, Describe Fully.*

N/A

RECEIVED

JUL 05 2011

Describe Cause of Problem and Remedial Action Taken.*


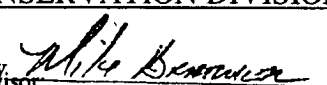
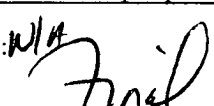
Heater treater fire tube gasket failed. The heater treater fire tube gasket has been replaced and the heater treater has been put back into service.

NMOCD ARTESIA

Describe Area Affected and Cleanup Action Taken.*

Tetra Tech inspected site and collected samples to define spills extent. Soil with elevated chloride concentration were removed and hauled away for proper disposal. Site was then brought up to surface grade with clean backfill material. Tetra Tech prepared closure report and submitted to NMOCD for review.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | | |
|--|--|--|-----------------------------------|
| Signature:  | | OIL CONSERVATION DIVISION | |
| Printed Name: Ike Tavarez (Agent for COG) | | Signed By:  Approved by District Supervisor: | |
| Title: Project Manager | | Approval Date: NOV 18 2011 | Expiration Date: N/A |
| E-mail Address: Ike.Tavarez@TetraTech.com | | Conditions of Approval:  Final | Attached <input type="checkbox"/> |
| Date: 5-13-11 Phone: (432) 682-4559 | | | |

* Attach Additional Sheets If Necessary

2RP-453